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1 UNITED STATES PATENT AND TRADEMARK OFFICE
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4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
6
7

8 *Ex parte* MARK LESSWING
9 and
10 DALE HOERLE
11
12

13 Appeal 2009-003775
14 Application 09/577,386
15 Technology Center 3600
16
17

18 Decided: November 10, 2009
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21
22 *Before* MURRIEL E. CRAWFORD, HUBERT C. LORIN, and BIBHU R.
23 MOHANTY, *Administrative Patent Judges*.
24

25 CRAWFORD, *Administrative Patent Judge*.
26
27

28 DECISION ON APPEAL

STATEMENT OF THE CASE

2 Appellants appeal under 35 U.S.C. § 134 (2002) from a final rejection
3 of claims 1-11 and 24-86. We have jurisdiction under 35 U.S.C. § 6(b)
4 (2002).

5 Appellants invented computer systems and methods for processing
6 and modularizing software for repricing a reimbursement claim against a
7 contract (Spec. 1:6-8).

8 Claim 1 under appeal is further illustrative of the claimed invention as
9 follows:

1. A computer implemented method of repricing an electronically received reimbursement claim under at least one contract comprising:

providing programming code for converting each contract into a plurality of terms and a contract identifier code, each term, of the plurality of terms, containing qualification codes, calculation codes and at least two priority notes, and arranging the plurality of terms, of said contract, into a sequential series of terms;

providing programming code for converting the reimbursement claim into a series of claim lines, each claim line containing a claim code, a unit number and a corresponding charge;

providing programming code for sequentially comparing each claim code, of the series of claim lines, against each qualification code, of the plurality of terms and when a claim code, of a claim line, is substantially equal to a qualification code, of a term, identifying said term as a matching term associated to said claim line.

providing programming code for determining any priority conditions associated to all of the matching terms, and eliminating any matching terms that are excluded by said priority conditions; and

providing programming code for determining a reimbursement amount for the claim by processing the calculation codes of the non-eliminated matching terms.

10 The prior art relied upon by the Examiner in rejecting the claims on
11 appeal is:

12 Tarter US 5,704,044 Dec. 30, 1997
13 Dart US 6,529,876 B1 Mar. 4, 2003

14 The Examiner rejected claims 1-11 and 24-86 under 35 U.S.C. §
15 103(a) as being unpatentable over Tarter and Dart.

16 We AFFIRM-IN-PART.

ISSUES

18 Did the Appellants show the Examiner erred in finding that because
19 Tarter discloses a Computerized Healthcare Account Receivable
20 Management System for insurance providers, Tarter also discloses

providing programming code for converting each contract into a plurality of terms and a contract identifier code, each term, of the plurality of terms, containing qualification codes, calculation codes and at least two priority notes, and arranging the plurality of terms, of said contract, into a sequential series of terms[.]

28 as recited in independent claim 1?

29 Did the Appellants show the Examiner erred in finding that the
30 transaction processing, funds collection, and funds management and

1 reconciliation of Tarter discloses causing a computer to generate a rate sheet
2 which represents a contract, the rate sheet containing one or more rate terms,
3 as recited in independent claims 24 and 53?

4 Did the Appellants show the Examiner erred in finding that Tarter
5 discloses

6 comparing each claim code, of the claim,
7 against each qualification code, of each contractual
8 term, of a contract; when a qualification code, of a
9 contractual term, is satisfied by a claim code, of a
10 claim line, identifying said contractual term as a
11 matching contractual term associated to said claim
12 line, and creating a list of all matching contractual
13 terms[.]

14 as recited in independent claim 40?

15 Did the Appellants show the Examiner erred in finding that a
16 combination of Tarter and Dart renders obvious the subject matter of claims
17 60-86?

18

19 FINDINGS OF FACT

20 *Specification*

21 Appellants invented computer systems and methods for processing
22 and modularizing software for repricing a reimbursement claim against a
23 contract (Spec. 1:6-8).

24

25 *Tarter*

26 Tarter discloses a computerized method and system for financing
27 health care service providers including processing and reconciling claims
28 and payments (Computerized Healthcare Accounts Receivable Management
29 System or CHARMS) (col. 1, ll. 19-30).

1 Plan sponsors include commercial insurance companies, health
2 maintenance organizations (HMOs), preferred provider organizations
3 (PPOs), Blue Cross/Blue Shield entities, affinity groups, unions, government
4 entitlement programs such as Medicaid, self-insured private and government
5 employers, and private and government employers that are not self-insured
6 (col. 2, ll. 33-47).

7 On a daily basis, CHARMS summarizes and prepares records of all
8 transactions. At the end of daily processing, CHARMS initiates a series of
9 fund transfer transactions for all approved claims that have been marked for
10 purchase (col. 13, ll. 44-47).

11 CHARMS treats each purchased claim transaction in a manner similar
12 to the treatment of credit card transactions (col. 13, ll. 64-65).

13 Upon the establishment of a relationship between the System Operator
14 and a newly subscribing service provider, notice is sent to all relevant payors
15 that all future payments and supporting data for approved claims should be
16 sent directly to the System Operator (col. 14, ll. 24-28).

17 CHARMS contains a help desk subsystem where the System Operator
18 has access, through a series of help desk display screens, to a number of
19 databases stored by CHARMS, including the provider and payor profile
20 records, the summary file, the bulletin file, and the accumulated transaction
21 file (col. 19, ll. 41-53).

1 PRINCIPLES OF LAW

2 *Obviousness*

3 During examination, the examiner bears the initial burden of
4 establishing a *prima facie* case of obviousness. *In re Oetiker*, 977 F.2d
5 1443, 1445 (Fed. Cir. 1992).

6 With respect to core factual findings in a determination of
7 patentability, the Examiner cannot simply reach conclusions based on their
8 own understanding or experience - or on their assessment of what would be
9 basic knowledge or common sense. Rather, the Examiner must point to
10 some concrete evidence in the record in support of these findings. *In re*
11 *Zurko*, 258 F.3d 1379, 1385-86 (Fed. Cir. 2001).

12 To support the conclusion that the claimed combination is directed to
13 obvious subject matter, either the references must expressly or impliedly
14 suggest the claimed combination or the examiner must present a convincing
15 line of reasoning as to why the artisan would have found the claimed
16 invention to have been obvious in light of the teachings of the references. *In*
17 *re Oetiker*, 977 F.2d 1443, 1447 (Fed. Cir. 1992).

18 Once a *prima facie* case of obviousness is established, the burden
19 shifts to Appellants to rebut it. *In re Keller*, 642 F.2d 413, 425 (CCPA
20 1981).

21

22 *Claim Construction*

23 The first step in the construction of a means-plus-function claim
24 element is to identify the particular claimed function. The second step in the
25 analysis is to look to the specification and identify the corresponding
26 structure for that function. *Med. Instrumentation & Diagnostics Corp. v.*

1 *Elekta AB*, 344 F.3d 1205, 1210 (Fed. Cir. 2003) (citing *Micro Chem., Inc.*,
2 *v. Great Plains Chem. Co.*, 194 F.3d 1250, 1258 (Fed. Cir. 1999).

3

4 ANALYSIS

5 *Independent Claim 1*

6 We are persuaded of error on the part of the Examiner by Appellants'
7 argument that Tarter's disclosure of a Computerized Healthcare Account
8 Receivable Management System for insurance providers does not mean that
9 Tarter also discloses

10 providing programming code for converting
11 each contract into a plurality of terms and a
12 contract identifier code, each term, of the plurality
13 of terms, containing qualification codes,
14 calculation codes and at least two priority notes,
15 and arranging the plurality of terms, of said
16 contract, into a sequential series of terms[.]

17 as recited in independent claim 1 (App. Br. 15-16 Reply Br. 3-4). Tarter
18 discloses that CHARMS processes and approves claims submitted by health
19 care service providers to insurance providers. The information CHARMS
20 stores includes the provider and payor profile records, the summary file, the
21 bulletin file, and the accumulated transaction file for HMOs, PPOS, and
22 other government programs such as Medicaid. The Examiner appears to be
23 asserting that these files of CHARMS would include a plurality of terms
24 each including qualification codes, calculation codes, and priority notes (Ex.
25 Ans. 3-4, 40-41). However, such a general assertion, without more details,
26 does not meet the Examiner's initial burden of establishing a *prima facie*
27 case of obviousness with respect to the aforementioned aspects of
28 independent claim 1. *See In re Oetiker*, 977 F.2d at 1445. Specifically,

1 there is no specific mention of a plurality of terms each including
2 qualification codes, calculation codes, and priority notes in Tarter. *See In re*
3 *Zurko*, 258 F.3d 1379, 1385-86. Moreover, the Examiner has not provided a
4 convincing line of reasoning as to why the fact that CHARMS is used by
5 HMOs, PPOS, and other government programs such as Medicaid, and
6 includes a variety of records and files, makes it obvious that CHARMS also
7 includes a plurality of terms each including qualification codes, calculation
8 codes, and priority notes. *See In re Oetiker*, 977 F.2d at 1447. Furthermore,
9 independent claim 1 recites very specific manipulations of the plurality of
10 terms. However, the portions of Tarter cited by the Examiner do not
11 disclose the specifics of how CHARMS goes about approving claims. Thus,
12 it is unclear if any manipulations of data occur in the cited portions of Tarter,
13 let alone the manipulations of the plurality of terms recited in independent
14 claim 1.

15 Additionally, independent claim 1 recites purely functional claim
16 elements. While independent claim 1 does not explicitly recite a “step-for”
17 in order to definitively invoke the provisions of 35 U.S.C. § 112, sixth
18 paragraph, independent claim 1 recites “providing programming code for”
19 performing a function, without providing any detail as to *how* that function
20 is to be performed. Because of the presence of this functional language, it is
21 incumbent upon the Examiner to make an analysis in accordance with 35
22 U.S.C. § 112, sixth paragraph, to identify in the Specification the
23 corresponding structure/algorithm for each functional element set forth in
24 independent claim 1. *See Med. Instrumentation & Diagnostics Corp. v.*
25 *Elekta AB*, 344 F.3d at 1210. The Examiner has not identified the
26 corresponding structure/algorithm for each functional element, and as such

1 has not established that the cited references contain equivalent
2 structures/algorithms that perform the claimed functions.
3 By virtue of their dependence on independent claim 1, we also do not
4 sustain the rejections of dependent claims 2-11.

5

6 *Independent Claims 24 and 53*

7 We are persuaded of error on the part of the Examiner by Appellants'
8 argument that the transaction processing, funds collection, and funds
9 management and reconciliation of Tarter does not disclose causing a
10 computer to generate a rate sheet which represents a contract, the rate sheet
11 containing one or more rate terms, as recited in independent claim 24 (App.
12 Br. 29-30, 33-34; Reply Br. 7-8, 10-11). The Examiner has cited column 13,
13 line 44 to column 14, line 65 of Tarter as disclosing rate sheets (Ex. Ans. 8-
14 9, 21-22). The aforementioned portions of Tarter generally disclose
15 transaction processing, funds collection, and funds management and
16 reconciliation of CHARMS. The Examiner has not shown how any of these
17 portions of Tarter correspond to a rate sheet, or a convincing line of
18 reasoning as to how a rate sheet would be obvious in view of Tarter.

19 Moreover, both independent claims 24 and 53 recite means-plus-
20 function elements. However, the Examiner has not set forth a statement that
21 these means-plus-function elements are being treated under 35 U.S.C. § 112,
22 sixth paragraph, as set forth in *Manual of Patent Examining Procedure*
23 (MPEP) § 2181. Accordingly, the Examiner has also not performed at least
24 the second step of the two-step means-plus-function claim construction
25 process, which involves looking to the Specification and identifying the
26 corresponding structure/algorithm for each means-plus-function element set

1 forth in independent claims 24 and 53. *See Med. Instrumentation &*
2 *Diagnostics Corp. v. Elekt a AB*, 344 F.3d at 1210. Without the Examiner's
3 identification of the corresponding structure/algorithm for each means-plus-
4 function element, the Examiner has not established that the cited references
5 contain equivalent structures/algorithms that perform the claimed functions.

6 By virtue of their dependence on one of independent claims 24 and
7 53, we also do not sustain the rejections of dependent claims 25-39 and 54-
8 59.

9

10 *Independent Claim 40*

11 We are persuaded of error on the part of the Examiner by Appellants'
12 argument that Tarter does not disclose

13 comparing each claim code, of the claim,
14 against each qualification code, of each contractual
15 term, of a contract; when a qualification code, of a
16 contractual term, is satisfied by a claim code, of a
17 claim line, identifying said contractual term as a
18 matching contractual term associated to said claim
19 line, and creating a list of all matching contractual
20 terms[.]

21 as recited in independent claim 40 (App. Br. 30-33; Reply Br. 8-10). Similar
22 to the analysis of independent claim 1, while the portions of Tarter cited on
23 pages 15-16 of the Examiner's Answer generally disclose that CHARMS
24 performs claims processing, the cited portions of CHARMS do not delve
25 into the specifics of claims processing. Thus, not only is it unclear how the
26 cited portions of CHARMS include claim codes and qualification codes, but
27 it is equally unclear how the CHARMS performs or renders obvious the

1 specific manipulations of claim codes and qualification codes recited in
2 independent claim 40.

3 By virtue of their dependence on independent claim 40, we also do
4 not sustain the rejections of dependent claims 41-52.

5

6 *Claims 60-84*

7 We are not persuaded of error on the part of the Examiner by
8 Appellants' argument that a combination of Tarter and Dart does not render
9 obvious the subject matter of claims 60-86 (App. Br. 34-41; Reply Br. 11-
10 12). The Examiner has cited specific portions of Tarter and Dart as either
11 disclosing or rendering obvious each and every aspect of claims 60-84 (Ex.
12 Ans. 24-34). For example, on page 25 of the Examiner's Answer, the
13 Examiner has cited column 3, lines 1-35 of Dart as disclosing the subject
14 matter of dependent claim 63. Accordingly, the Examiner has met the initial
15 burden of establishing a *prima facie* case of obviousness for the subject
16 matter of claims 60-84, and thus the burden has shifted to Appellants to
17 rebut the *prima facie* case of obviousness. *See In re Oetiker*, 977 F.2d at
18 1445; *In re Keller*, 642 F.2d at 425.

19 In response, the Appellants have only set forth general assertions that
20 the Examiner has not shown how a combination of Tarter and Dart does not
21 render obvious various aspects of claims 60-84, without setting forth specific
22 arguments as to why the portions of Tarter and Dart cited by the Examiner
23 are insufficient to render obvious the subject matter of claims 60-84. For
24 example, with the regards to independent claim 60, Appellants asserted the
25 following on page 34 of the Appeal Brief:

Independent claim 60 recites, in part, “associating, with said at least one term, information, stored to computer-readable medium, representing at least one qualifier having a corresponding calculation method, wherein the at least one qualifier identifies at least one condition to be satisfied by a claim for reimbursement in order to trigger the corresponding calculation method.” The applied combination of *Tarter* and *Dart* fails to teach or suggest at least this element of claim 60.

Therefore, Appellant[s] respectfully request[] that this rejection of claim 60 be overturned.

15 Appellants' entire argument consists of quoting of an aspect of independent
16 claim 60, and a general assertion that the applied combination of Tarter and
17 Dart fails to teach or suggest at least this aspect of claim 60, without any
18 specific references as to why the portions of Tarter and Dart cited on page
19 24 of the Examiner's Answer were insufficient in meeting this aspect. This
20 is in contrast, for example, to the extensive arguments set forth on pages 14-
21 19 of the Appeal Brief with respect to the patentability of independent claim
22 1.

23 Accordingly, because the Examiner has met the initial burden of
24 establishing a prima facie case of obviousness for the subject matter of
25 claims 60-84, and the Appellants' general assertions do not rebut the prima
26 facie case with respect to those claims, we will sustain these rejections.

CONCLUSION OF LAW

29 On the record before us, Appellants have shown that the Examiner
30 erred in rejecting claims 1-11 and 24-59.

1 On the record before us, Appellants have not shown that the Examiner
2 erred in rejecting claims 60-86.

3

DECISION

5 The decision of the Examiner to reject claims 1-11 and 24-59 is
6 reversed.

7 The decision of the Examiner to reject claims 60-86 is affirmed.

8 No time period for taking any subsequent action in connection with
9 this appeal may be extended under 37 C.F.R. § 1.136(a) (2007).

10

AFFIRMED-IN-PART

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